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COSTS OF THE ARMS RACE

The arms race wastes resources, diverts economies away from constructive purposes, hinders development efforts, and blocks progress towards a new international economic order.

World Military Spending today is in the range of \$400 billion a year -- or over \$1 billion every day. Since World War II, direct costs of the arms race have exceeded \$6,000 billion (\$6,000,000,000,000) -- about as much as the combined Gross National Product of the entire world in 1975.

A report prepared in 1977 by a United Nations expert group* gave these details:

On average, countries have been devoting 5 to 6 per cent of their output to military ends.

If half the funds spent on armaments throughout the world from 1970 to 1975 had been invested in the civilian sector, annual output at the end of the period could have been perhaps \$200 billion larger than it was -- more than the aggregate GNP of Southern Asia and the mid-African region, two large regions of acute poverty with a total population over 1 billion.

Every year military activities throughout the world absorb a volume of resources equivalent to about two-thirds of the aggregate gross national product of countries comprising the poorest half of the world's population. World military expenditure over the past half century has increased in real terms by a factor of 10, corresponding to an annual increase of nearly 5 per cent.

* Economic and Social Consequences of the Arms Race and of Military Expenditures (A/32/88/Rev.1, UN Publication Sales No. E.78.IX.1).

Six countries -- the United States, Soviet Union, China, France, United Kingdom and the Federal Republic of Germany -- account for about 75 per cent of world military spending, 90 per cent of military exports, 95 per cent of exports of major weapons to developing countries, and 96 to 97 per cent of all research and development for military purposes.

Developing countries with almost 50 per cent of the world's population accounted for only 12 to 13 per cent of world military expenditure, and the poorest regions spent about \$5 per capita for military purposes -- only 1 to 2 per cent of what the highly industrialized countries' spend per head of population. But arms budgets of developing countries, while small in the global context, loom larger and larger in relation to their limited resources and to their urgent social and economic needs.

Military expenditures in developing countries doubled in constant prices over five years, rising from \$17.0 billion in 1970 to \$33.8 billion in 1975.

Although half a billion people are severely malnourished and per capita food production in developing countries as a whole has been declining, the poorest countries spend on average about as much for military activities as they spend on agricultural investment.

Figures reported in 1979 by the Stockholm International Peace Research Institute (SIPRI) indicated that in the 1970s three countries had accounted for 82 per cent of supplies of major weapons to Third World countries -- United States (39 per cent), USSR (32 per cent) and France (11 per cent).

Manpower: The armed forces around the world totalled approximately 22 million people, the 1977 expert group said. It was estimated that for the world as a whole 60 million people are engaged in military-related occupations, uniformed or civilian, public or private. This corresponds to the entire labour force in manufacturing in Europe outside the USSR or to 70 per cent of total employment in the United States in all branches of activity.

The number of draftsmen required for the design of a World War II bomber was on the order of 170 man-years, spread over 2 to 3 years; the design of a military aircraft today requires 4,000 man-years over a period of 7 to 10 years.

Research and Development: About 25 per cent of the world's scientific personnel are engaged in military-related pursuits. It has been estimated that of the total cumulative research and development (R and D) spending since the Second World War, some 40 per cent has been directed at achieving military ends. Together the six main military spenders are reported to account for over 96 per cent of world military R and D. Military research and development in the world absorbs perhaps 10 times the entire scientific and technological capabilities available in developing countries.

Use of Resources: The world's armed forces are major consumers of a wide range of non-renewable resources, both energy and raw-material reserves. World military consumption of liquid hydrocarbons (excluding petroleum products used in the production of weapons and equipment) has been estimated to be about 700 to 750 million barrels annually -- twice the annual consumption for the whole of Africa and approximately 3.5 per cent of world consumption.

Jobs and Arms: There is still a widespread belief that disarmament or discontinuation of some specific weapons programme would swell the ranks of the jobless, particularly when unemployment is already high. In fact, the growing high-technology component in military expenditures has eroded their job-creating potential. There is evidence that high military budgets contribute to over-all unemployment instead of alleviating it. The United States' Government estimates have indicated that while \$1 billion of military expenditure creates 76,000 jobs, the same amount released in tax cuts would create 112,000 jobs.

Examples of military vs. civilian costs:

- \$500,000 is the cost of one tank -- or equipment for 520 classrooms.
- \$20 million is the cost of one jet fighter -- or 40,000 village pharmacies.
- \$100 million is the cost of one destroyer -- or electrification for 13 cities and 19 rural zones with a population of 9 million.
- In two days the world spends on arms the equivalent of one year's budget for the United Nations and its specialized agencies.

Development Aid: Limited disarmament steps or budgetary cuts to date do not appear to have resulted in any "disarmament dividend". In fact, official development assistance declined from 1970 to 1975 even though military budgets of the main spenders diminished slightly in real terms during that period.

Studies by expert groups, carried out in response to General Assembly requests, have demonstrated the harmful effects of military spending and the economic and social benefits that could result from disarmament measures. They have recommended that Governments make plans to assist in conversion from military to civilian production, and have emphasized that reductions in military spending would help rather than hurt national economies.

The comprehensive expert report on these issues submitted to the General Assembly in 1977 said that as long as the arms race is allowed to continue, it will aggravate world problems of development, economic imbalance and inflation, pollution, energy and raw materials, trade relations and technology, and delay progress in areas such as health, education and housing. The Group recommended the adoption of a specific time-schedule for gradual but substantial co-ordinated reduction of budgets, first of all of those of the largest and most heavily armed countries, specifying criteria and proportions for these reductions and ensuring that they are irreversible and that the means saved are in fact allocated for peaceful purposes.

Current Study: In view of "the relationship between expenditure on armaments and economic and social development and the necessity to release real resources now being used for military purposes to economic and social development in the world, particularly for the benefit of the developing countries", the special session of the Assembly initiated a major study of the relationship between disarmament and development.

The expert group set up to carry out the Assembly's request is expected to report on the results of the study before the 1981 Assembly session. It has commissioned a number of research projects, which are being conducted by institutes and researchers in all parts of the world. Three main areas are being investigated: present utilization of resources for military purposes; economic and social effects of a continuing arms race and disarmament measures; and conversion and redeployment of resources from military to development purposes. The Assembly said a principal aim of the study should be "to produce results that could effectively guide the formulation of practical measures to reallocate those resources at the local, national, regional and international levels".

Disarmament and Development: The hopes of the General Assembly have remained the same since it adopted its 1962 Declaration on the Conversion to Peaceful Needs of the Resources Released by Disarmament. The Declaration called on countries to develop plans and policies for making economic and social adjustments in successive stages of disarmament, bearing in mind the imperative needs of the developing countries. In later years, the General Assembly repeatedly urged that funds released through disarmament be made available for assistance to development, and beginning in 1973 declared that such funds should be provided by reducing military budgets.

In the Final Document of its special session on disarmament, the Assembly stated : "The hundreds of billions of dollars spent annually on the manufacture or improvement of weapons are in sombre and dramatic contrast to the want and poverty in which two thirds of the world's population live. This colossal waste of resources is even more serious in that it diverts to military purposes not only material but also technical and human resources which are urgently needed for development in all countries, particularly in the developing countries. Thus, the economic and social consequences of the arms race are so detrimental that its continuation is obviously incompatible with the implementation of the new international economic order based on justice, equity and co-operation. Consequently, resources released as a result of the implementation of disarmament measures should be used in a manner which will help to promote the well-being of all peoples and to improve the economic conditions of the developing countries".